GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:6656
ANSWERED ON:10.05.2002
SUGAR MILLS
JAIBHAN SINGH PAWAIYA

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the number of sugar mills in the country which have commenced production of sugar during the current crushing season;

(b) the number of sugar mills lying closed at present and the steps taken for re-opening them; and

(c) the target fixed for production of sugar during the current crushing season?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a): 428 Sugar Mills in the country have commenced production of sugar during the current crushing season 2001-2002.

(b): As per available information, 99 sugar mills are lying closed during the current sugar season i.e. 2001-2002 against 72 in the preceding sugar season. While one mill in U.P. which was lying closed in the preceding sugar season has reported production in the current season, 28 mills in the country have not reported production. Out of these, 20 mills in Maharashtra have not reported production primarily due to inadequate cane availability on account of drought like conditions. The closed sugar mills include 11 sugar mills of U.P. State Sugar Corporation Limited and 15 sugar mills of Bihar State Sugar Corporation Limited which have been decided to be closed by the concerned State Governments.

The closure of sugar mills is attributable to a variety of factors such as inadequate cane availability, uneconomical size, old age, bad condition of plant and machinery, technical and managerial incompetence, excessive high cane price not commensurate with the sale realization of sugar etc.

The Government has taken the following steps to improve the viability of the sugar industry in the country.

1. The levy obligation of sugar mills which was reduced from 30% to 15% w.e.f. 1-2-2001, has been further reduced to 10% w.e.f. 1.3.2002.

2. the restrict inflow of imported sugar in the country, custom duty has been increased to 60% w.e.f. 9.2.2000. The imported sugar has been brought under the release mechanism.

3. Advanced releases of freesale sugar are being given to needy sugar mills to enable them to clear cane price dues of the farmers.

4. Government has substituted the monthly release of freesale sugar by quarterly release. The sugar mills have been allowed to sell up to 10% of their quarterly quota as additional quota, during the quarter subject to utilization of the proceeds from the sale of additional quota for payment of cane price dues to the sugarcane growers.

5. the quantitative restirciton on export of sugar has been lifted w.e.f. 01.04.2001.

6. The sugar meant for export has been exempted from the levy obligation.

(c): No targets are fixed for production of sugar. However, the production of sugar during the current crushing season is expected to be around 175 lakh tones.